## Message Text

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73

ACTION EB-11

INFO OCT-01 ARA-16 ADP-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 LAB-06 SIL-01 L-03

AGR-20 TRSE-00 OMB-01 PA-03 USIA-15 PRS-01 RSR-01

/096 W

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R 231940Z AUG 73 FM AMCONSUL RIO DE JANEIRO TO SECSTATE WASHDC 9120 INFO AMEMBASSY BRASILIA AMEMBASSY CARACAS AMCONSUL SAO PAULO

LIMITED OFFICIAL USE RIO DE JANEIRO 3059

E.O. 11652: N/A

TAGS: ELAB, ETRN, BR

SUBJECT: SHIPPING - SANTOS PORT CONGESTION/LASH SERVICE

REF: SAO PAULO 1783

1. DELTA REPS IN RIO AND SANTOS, AS WELL AS SUNAMAM PLANNING DIRECTOR CAVALCANTI WHO DIRECTED DRAFTING OF LASH OPERATING REGULATIONS, REPORT NO LEGAL SUIT HAS BEEN FILED BY LONGSHOREMEN AGAINST LASH SERVICE. THEY STATE, HOWEVER, THAT THEY WOULD HAVE BEEN INFORMED HAD UNION INITIATED SUCH A SUIT. DELTA REP CONFIRMS THAT UNION EXPRESSED DISCONTENT OVER ITS PARTICIPATION IN LASH OPERATIONS AND DID SEND LETTER TO PORT CAPTAIN CLAIMING RIGHT TO HANDLE ALL LASH CARGO. PORT CAPTAIN REPLIED ORALLY THAT STEVEDORES WILL OPERATE SHIP'S CONTAINER CRANE, BUT CREW WILL OPERATE BARGE CRANE. THIS PROCEDURE REPORTEDLY USED DURING FIRST LASH STOP IN SANTOS. PORT CAPTAIN, HOWEVER, STILL HAS NOT SENT WRITTEN REPLY TO UNION. LIMITED OFFICIAL USE

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- 2. IN VIEW ABOVE, CONGEN SAO PAULO AGAIN CONTACTED PRESIDENT OF STEVEDORE UNION. LATTER ASSERTED ONCE MORE THAT UNION HAD FILED SUIT (PROCESSO) WITH MARITIME LABOR DELEGATE. REASON FOR CONFLICTING REPORTS UNCERTAIN, BUT MAY STEM FROM DIFFERENT LEGAL INTERPRETATIONS AS TO WHAT HAS OCCURRED. UNION ACTION MAY CONSTITUTE ADMINISTRATIVE COMPLAINT RATHER THAN A CIVIL LAW SUIT. UNION PRESIDENT AND HIS LEGAL ADVISER HAVE PROMISED TO MEET WITH SAO PAULO LABOR OFFICER ON FRIDAY, AUGUST 24, BRINGING WITH THEM COPY OF THE PROCESSO AS WELL AS OTHER DOCUMENTS REGARDING SANTOS PORT CONDITIONS. HOPEFULLY THESE DOCUMENTS WILL CLARIFY QUESTION OF SUIT.
- 3. IN RESPONSE TO CONGEN INQUIRY, OFFICIAL OF DELTA AND NETUMAR REPORT STEVEDORE PRODUCTIVITY ON THEIR SHIPS HAS RETURNED TO NORMAL LEVELS, I.E., LEVELS PREDATING SUNAMAM RECENT ATTEMPT TO ADJUST WAGE RATES. DELTA REP, AFTER QUESTIONING SIX SHIPPING COMPANIES IN SANTOS, CLAIMS HE RECEIVED SAME RESPONSE FROM THEM. HE ASSERTS LABOR SLOWDOWN ON GENERAL CARGO LASTED ONLY ONE WEEK, BUT THAT PARTIAL SLOWDOWN APPARENTLY CONTINUES ON BULK CARGO, WHICH REPRESENTS ABOUT 70 PERCENT OF SANTOS TONNAGE. IMPACT OF SLOWDOWN OPEN TO VARYING INTERPRETATIONS. COMPANIES AND SUNAMAM ASSERT THAT IT IS NOT MAIN REASON FOR CONTINUED PORT CONGESTION. THEY ATTRIBUTE SHIP BACKLOG TO COMBINATION OF EARLIER STEVEDORE SLOWDOWN, SOME LABOR SHORTAGE, BAD WEATHER, INLAND TRANSPORT DIFFICULTIES AND, ESPECIALLY, LARGE VOLUME OF CARGO DURING CURRENT PEAK SEASON. SUGAR IS MAJOR CONTRIBUTOR TO CONGESTION. INDEED, PROJECTED SUGAR EXPORTS FROM SANTOS DURING SEPT/DEC IMPLY NEED FOR VIRTUALLY CONTINUOUS PRESENCE OF SOME 6 TO 10 VESSELS, 500 TRUCKS AND 350 RAILROAD CARS IN PORT. THUS SANTOS LIKELY REMAIN CONGESTED FOR REMAINDER OF YEAR. DECONTROL DECEMBER 31, 1974. **BOONSTRA**

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